



DEPARTMENT OF THE NAVY
COMMANDER NAVAL AIR FORCE
UNITED STATES PACIFIC FLEET
NAVAL AIR STATION, NORTH ISLAND
SAN DIEGO, CALIFORNIA 92135

COMNAVAIRPACINST 1710.3B
NAVAIRPAC 019B
10 MAY 1985

COMNAVAIRPAC INSTRUCTION 1710.3B

Subj: MANAGEMENT OF RECREATION FUNDS AFLOAT

- Ref: (a) BUPERSINST 1710.11 (Special Services Manual)
(b) NAVSO P-3520 (Financial Management Policies and Procedures for Morale, Welfare, and Recreation Programs)
(c) NAVCOMPT Manual, Vol. 7, Paragraph 075500
(d) NAVMILPERSCOMINST 1710.3 (Administration of Recreation Programs Afloat)
(e) NAVMILPERSCOMINST 7010.2 (Navy Special Services Recreation Fund Financial Reporting Procedures)
(f) NAVAUDSYC Audit Program No. 38 (Local Audits of Shipboard Recreation Fund Accounts)
(g) OPNAVINST 5040.7J (Naval Command Inspection Program)
(h) CINCPACFLTINST 5040.2J (Pacific Fleet Command Inspection Program)
(i) COMNAVAIRPACINST 5040.8 (Command Inspection of Ships)
(j) COMNAVAIRPACINST 5440.15G (Naval Air Force, U.S. Pacific Fleet Organization and Regulations)
(k) SECNAVINST 7000.22 (Appropriated and Nonappropriated Resources Expended in Support of Nonappropriated Fund (NAF) Activities; report of
(l) NAVCOMPTNOTE 7200 of 7 Feb 83 (Prompt Payment Act)
(m) BUPERSINST 7010.7C (Nonappropriated Fund Transactions Entering the International Balance of Payments)
(n) BUPERSINST 7043.1 (Procurement Handbook for Bureau of Naval Personnel Nonappropriated Fund Activities)

- Encl: (1) Inspection Guide for Administration of Afloat Recreation Funds
(2) Inspection Guide for Management Coordination of Afloat Recreation Funds

1. Purpose. To establish a standard policy within Naval Air Force, U.S. Pacific Fleet, for the administration of afloat recreation funds and provide procedural guidance to both commanding officers and commanders having immediate unit command (IUC) responsibilities with regard to these funds.

2. Cancellation. COMNAVAIRPACINST 1710.3A

3. Background. The basic policies, regulations, and procedures for the administration and use of Navy recreation funds are set forth in reference (a), and general financial management policy and detailed procedures for the accounting for afloat recreation funds are provided in references (b) through (d). Reference (e) contains detailed instructions for the preparation and forwarding of the Recreation Fund Financial Statement (NAVPERS 7010/2). Reference (f) provides auditing procedures for afloat recreation funds. The policy concerning inspections of afloat recreation/special services is contained in references (g) through (j).

4. Action

a. Ships of Naval Air Force, U.S. Pacific Fleet, maintaining unit recreation funds shall administer and maintain such funds in accordance with the provisions of references (a) through (f). Particular attention shall be given to article 607 of reference (a), which delineates prohibited uses of recreation funds.

b. Audit boards, appointed in writing and acting in accordance with reference (a), shall conduct semi-annual audits following the procedures set forth in reference (f).

c. COMNAVAIRPAC will conduct, annually, inspections of afloat recreation funds, as specified in reference (d). Enclosure (1) is a guide for conducting inspections of recreation funds and recreation services programs.

d. As a part of the Command Inspection Program, COMNAVAIRPAC will inspect immediate unit commanders (IUC) in the area of administration/coordination of recreation funds/recreation services. Enclosure (2) contains specific criteria for such inspections.

e. Recreation fund custodians will prepare a statement of operations and net worth at the end of each accounting period, as prescribed by reference (b). A copy of this statement will be forwarded to the commanding officer for review.

f. Not specifically addressed by the above references is the need to accurately budget recreation fund requirements. A budget not only serves as a management and planning tool, but provides the commanding officer with the information relative to total recreation income required for planned recreation fund expenditures. The recreation fund budget should be compiled subsequent to the ship's store financial statement and profit distribution. The ship's store profit and loss statement should be reviewed regularly by the special services officer, because the ship's store provides the primary source of income to the recreation fund.

g. Commanding officers shall assign the recreation/special services officer and recreation fund custodian billets in writing, pursuant to reference (a). Personnel assigned to positions related to the administration of afloat recreation funds should be well qualified and, if possible, should have attended the Afloat Recreation Management Training Course conducted by COMNAVMILPERSCOM (N-11).

5. Reports. Reports required in compliance with references (a) and (e) shall be submitted, as follows:

a. Annually, all ships will submit the original Recreation Fund Financial Statement (NAVPERS 7010/2) to the Commander, Naval Military Personnel Command (N-11) via the administrative commander carrier group, with copy to this Headquarters, within 30 days after the close of the fiscal year, as required by reference (e). In addition to the requirement of reference (e), a quarterly financial statement will be formulated and submitted to COMNAVAIRPAC (Code 019B), via the administrative commander carrier group, within 30 days after the end of the quarter. Reference (e) contains guidance pertinent to the preparation of the Recreation Fund Financial Statement.

b. The local audit board, in compliance with references (a) through (d), semi-annually will audit all nonappropriated funds.

(1) If conditions of the recreation fund are not considered satisfactory by a local audit, the certification required by article 211.3f of reference (a) should not be made.

c. Annually, on 30 September, an appointed board will conduct an inventory on non-expendable recreation fund property. Quantities counted must be reconciled with quantities which appear on stock record cards and the dollar value listed on the property/equipment inventory records. Discrepancies between the physical inventory and property records will be investigated. Members of the inventory board will be appointed in writing by the commanding officer, pursuant to reference (a).

(1) Recreation property which was purchased with nonappropriated funds should be made available for transfer to other recreation funds within the immediate area, if required to deliver adequate program services. Such transfer should be made without reimbursement unless prior approval is obtained from COMNAVMILPERSCOM. In the event such transfer is not warranted, the excess property should be reported to this Headquarters, via the chain of command, for redistribution, as may be directed within the command. Should such redistribution not be required, the excess property may be used as trade-in on new equipment or sold to interested individuals through a sealed bid procedure. Such sales should be offered to program patrons prior to being offered to non-naval individuals or organizations.

(2) Any property which cannot be redistributed by the above procedures will be reported to COMNAVMILPERSCOM (N-116).

(3) When disposing of vehicles, notification shall be made to COMNAVMILPERSCOM (N-11). Notification may be made by telephone, letter, or completion of section 4 of the DD 1342, and shall include date of disposal and disposition made of the vehicle (trade, sale, turned into disposal, etc.). Failure to take prompt action to cancel vehicle registration numbers results in the vehicle(s) remaining in Commander, Naval Military Personnel Command "Active Vehicle Inventory" and the continued payment of insurance costs for the vehicle(s).

d. Ships deployed during the previous quarter will report, by message, those nonappropriated fund transactions affecting the international balance of payments (IBOP), to this Headquarters, to be received no later than 12 days following the close of each reporting quarter. Reference (m) and Appendix F to reference (b) provides necessary IBOP guidance.

e. Reference (k) requires annual MWR submission of amount of appropriated funds expended for preceding fiscal year, to COMNAVAIRPAC (Code 019B), for the following:

(1) Category III - (MPC 311) General Military Welfare and Recreation afloat for appropriated funds provided the recreation program for the year, to include military personnel costs, equipment and supplies, and any other appropriated funds provided the ship's recreation program throughout the year.

(2) Category VIII - (MPC 811) Navy Chapel Funds to provide the same information as subparagraph (1), and include a reconciliation of net worth plus an income statement and balance sheet for nonappropriated funds.

f. The Office of Management and Budget requires an annual report from the Department of Defense of the number, dollar value, frequency, and cause of all late payments, and similar data pertaining to early payments. The provisions of the Act pertain to all morale, welfare, and recreation activities, and any interest payments incurred as a result of nonappropriated fund operations will be charged to the applicable nonappropriated fund. The specified reporting requirements in subparagraph 10a of reference (1) pertain only to appropriated funds. Reporting requirements for nonappropriated funds are contained in subparagraph 10b. Ships should submit required data for recreation funds only. Reports will be based on the total payments subject to the Prompt Payment Act (i.e., total payments to commercial vendors or suppliers), not total payments without regard to Prompt Payment Act applicability. Data required by reference (1), in the format provided by enclosure (6) to reference (1), should be provided to COMNAVAIRPAC Code 019B, no later than five days from the end of the fiscal year.


S. D. LANGDON
Chief of Staff

Distribution:

SNDL Part 1 (PACFLT only, unless otherwise indicated)

28A2 Carrier Group

29B2 Aircraft Carrier

Copy to:

SNDL Parts 1 and 2 (PACFLT only, unless otherwise indicated)

21A2 CINCPACFLT

24A Naval Air Force Commander LANT

FJ18 Military Personnel Command

Stocked:

COMNAVAIRPAC (Code 101)

INSPECTION GUIDE FOR AFLOAT RECREATION FUNDS/SERVICES

This guide constitutes the only detailed report of this inspection. As such, it should be retained by the activity for subsequent inspection and utilized in the report of corrective action if requested by higher authority.

Ship's Name:

Date Inspection Report Prepared:

Homeport:

IUC:

Inspection Date:

Commanding Officer:

Executive Officer:

Recreation Services Officer:

Date Assigned in Writing:

Recreation Fund Custodian:

Date Assigned in Writing:

Unboard Strength: Officers:

Enlisted:

COMNAVAIRPACINST 1710.3B

This list will be checked a "yes," "no," or "N/A" (not applicable). All "no" answers will be discussed with management and/or commanding officer, as applicable.

	YES	NO
1. Are the following references available and current?	_____	_____
a. BUPERSINST 1710.11, Special Services Manual	_____	_____
b. NAVSO P-3520, Financial Management Policies and Procedures for Morale, Welfare and Recreation Programs	_____	_____
c. NAVMILPERSCOMINST 1710.3, Administration of Recreation Programs Afloat	_____	_____
d. NAVMILPERSCOMINST 7010.2, Navy Special Services Recreation Fund Financial Reporting Procedures	_____	_____
e. NAVAUDSVC Audit Program No. 38, Local Audits of Shipboard Recreation Fund Accounts	_____	_____
f. COMNAVAIRPACINST 1710.3B, Management of Afloat Recreation Funds	_____	_____
g. BUPERSINST 7043.1, Procurement Handbook for Bureau of Naval Personnel Nonappropriated Fund Activities	_____	_____
h. NAVCOMPT Manual, Vol 7, Paragraph 075500	_____	_____
i. SECNAVINST P5215.5 Disposal of Navy and Marine Corps Records	_____	_____
2. Are the following letters of appointment authorized by the Commanding Officer in writing, current and on file? (Ref (a)).	_____	_____
a. Recreation Services Officer	_____	_____
b. Recreation Fund Custodian	_____	_____
c. Recreation Council	_____	_____
d. Recreation Committee	_____	_____
e. Audit Board	_____	_____
f. Establishment of Petty Cash Fund/Change Fund	_____	_____
g. Letter designating BUPERS Successor in Interest to Bank Account	_____	_____
3. Are minutes of the Recreation Council and Recreation Committee meetings accompanied by the Commanding Officer's comments, on file? (Ref (a), Articles 208 and 209, Appendices 2B and 2C)	_____	_____
4. Does the Audit Board meet semi-annually to audit the accounts of the Recreation Fund and when the Custodian is relieved, and is a copy available? (Ref (a), Article 211.3)	_____	_____

	YES	NO
5. Does the Recreation Services Officer attend the Recreation Committee meetings? (Ref (a), Article 209.1)	_____	_____
6. Does a Recreation Committee representative attend each Recreation Council meeting? (Ref (a), Article 208.1)	_____	_____
7. Have the Recreation Services Officer and the Recreation Fund Custodian attended the Recreation Management Afloat Course? When?	_____	_____
8. Cash account is carried as follows:		
a. Petty Cash on hand (\$ _____) Amount authorized by Commanding Officer (\$ _____)	_____	_____
b. Is the Petty Cash Fund replenished by check as of the last day of each accounting period? (Ref (b), Para 511)	_____	_____
c. Are dealers' sales slips or receipts obtained for all payments from the Petty Cash Fund? (Ref (b), Para 511)	_____	_____
d. Are signed Petty Cash Vouchers (NAVCOMPT Form 743) used to substantiate each disbursement from the Petty Cash Fund? (Ref (b), Para 603.4)	_____	_____
e. Cash in Bank (\$ _____) Cash on hand (\$ _____).	_____	_____
f. Have all cash funds been deposited by the last day of the accounting period? (Ref (b), Para 514.3)	_____	_____
g. Are duplicate slips or bank receipts for all deposits retained in the files of the fund? (Ref (b), Para 514.3)	_____	_____
h. Name and location of bank?	_____	_____
i. Is the checking account designated "Recreation Fund, USS (Name of Ship)"? (Ref (b), Para 550)	_____	_____
j. Are checks prenumbered and bear the name and address of the Unit Fund? (Ref (b), Para 550)	_____	_____
k. Are voided checks reattached to the stub and the signature space cut off? (Ref (b), Para 550)	_____	_____
l. Is the bank insured by the Federal Deposit Insurance Corporation? (Ref (b), Appendix B)	_____	_____
m. Is the checking account an interest bearing account?	_____	_____
n. Are excess recreation funds earning the highest interest rate possible?	_____	_____

	YES	NO
9. Are Purchase Orders (NAVCOMPT Form 2213) utilized for all equipment and supplies purchased commercially except from the Petty Cash Fund? (Ref (b), Para 603)	_____	_____
10. Are the Purchase Order forms prenumbered starting with the beginning of the fiscal year? (Ref (b), Para 530)	_____	_____
11. Are liabilities incurred against the fund approved by the Commanding Officer or his designated representative? (Ref (a), Article 605)	_____	_____
12. Is a sufficient balance on hand to meet obligations? (Ref (a), Article 605)	_____	_____
13. Are obligations incurred met within a 30 day period or less?	_____	_____
14. Is a record of all nonexpendable property maintained indicating the total monetary value of listed items? (Ref (b), Para 571)	_____	_____
15. Are inventories of fixed assets conducted annually and consumable property semi-annually by the audit and inventory board and upon relief of the Custodian? (Ref (a), Article 211.3d)	_____	_____
16. Are the discrepancies between physical inventory, individual property record cards, and the consolidated property records investigated and corrected? (Ref (b), Para 808)	_____	_____
17. Is the Certificate of Disposition (NAVCOMPT Form 2212) used to dispose of property? (Ref (b), Para 809)	_____	_____
18. Is all property that is received or dropped recorded on a Stock Record (NAVCOMPT Form 742-1) or Property and Depreciation Record (NAVCOMPT Form 742)? (Ref (b), Para 603)	_____	_____
19. Are inventory numbers affixed to all property items by metal tags or other permanent means? (Ref (b), Para 571.1)	_____	_____
20. Are signed Custody Records (NAVCOMPT Form 745) utilized for all major items of equipment not in actual custody of the Recreation Custodian, such as TV sets, radios and lounge furniture? (Ref (b), Para 603.11b)	_____	_____
21. Are signed Custody Receipts (NAVCOMPT Form 744) obtained by the person issuing property for temporary periods? (Ref (b), Para 603.11a)	_____	_____
22. Are signed copies of the Recreation Fund Financial Statement (NAVPERS 7010/2) on file? (Refs (e) and (f))	_____	_____

	YES	NO
23. Was the original annual Recreation Fund Financial Statement forwarded within 30 days after the close of the fiscal year to the Commander Naval Military Personnel Command (N-11), via the cognizant immediate unit commander, with a copy to COMNAVAIRPAC? (Ref (e))	_____	_____
24. Is a quarterly Recreation Fund Statement (NAVPERS 7010/2) submitted to the Administrative Commander Carrier Group for review and forwarded to COMNAVAIRPAC (ATTN: 019B)?	_____	_____
25. Are proper physical safeguards and facilities employed to protect the Change and Petty Cash Funds and cash receipts? (Ref (b), Para 359)	_____	_____
26. Is the responsibility for the Petty Cash Fund vested in one person only? (Ref (b), Para 354)	_____	_____
27. Is the Custodian independent of the employee collections from patrons and other receipts? (Ref (b), Para 354)	_____	_____
28. Are daily receipts kept separate from the Petty Cash Fund? (Ref (b), Para 511.5)	_____	_____
29. Are cash receipts deposited intact and without delay? (Ref (b), Para 514.3)	_____	_____
30. Are checks returned by the bank for insufficient funds controlled and a follow-up maintained? (Ref (b), Para 514.6)	_____	_____
31. Are all disbursements, except those from Petty Cash made by check, issued in numerical sequence, and kept under maximum security? (Ref (b), Para 550)	_____	_____
32. Are checks presented for signature accompanied by approved invoices, evidence of receipt, and acceptance of goods and services? (Ref (b), Para 550)	_____	_____
33. Are the funds checked by surprise counts, conducted by the administrator or his representative? (Ref (b), Para 513)	_____	_____
34. Are pre-numbered cash receipt vouchers prepared in triplicate? (Ref (b), Para 526)	_____	_____
35. Does the Recreation Council reconcile the bank statement by:	_____	_____
a. Verifying and signing the bank statement monthly?	_____	_____
b. Verifying and initialing the check record?	_____	_____
36. Briefly, what is the recreation program of the ship?	_____	_____

YES NO

a. List all recreation program opportunities:

b. Is base Recreation Services information obtained and posted, and are personnel informed of special discount tickets and passes available to service personnel? _____

c. Is a special bulletin board used to display information about recreation facilities, movie schedules, club events, etc.? _____

d. Does the bulletin board contain pamphlets, folders and maps of the local community, outlining facilities and points of interest, special local events and tours? _____

e. Is adequate equipment available to support a variety of leisure interests? (List) _____

f. Does the Recreation Services Officer conduct periodic liaison with ashore based Recreation Services personnel and the Fleet Recreation Coordinator? _____

37. Are Recreation Services vehicles being properly maintained and controlled? (Ref (a), Article 1012) _____

The overall condition of the Special Services Fund is:

Satisfactory

Unsatisfactory

Recommendations:

(1) All items marked by a NO must be answered and corrected.

COMMAND INSPECTION GUIDE
FOR MANAGEMENT COORDINATION OF AFLOAT RECREATION/
SPECIAL SERVICES FUNDS

COMCARGRU:

Date Inspection Report Prepared:

Type Commander Representatives:

Inspection Dates:

Nonappropriated Fund Management Coordinator:

Date Assigned in Writing:

IUC Responsibility For:

This list will be checked a "yes," "no" or "N/A" (not applicable). All "no" answers will be discussed with management.

YES NO

1. Are the following publications on hand and current with all changes properly recorded?
 - a. BUPERSINST 1710.11, Special Services Manual
 - b. NAVSO P-3520, Financial Management Policies and Procedures for Morale, Welfare and Recreation Programs
 - c. COMNAVAIRPACINST 1710.3B, Management of Afloat Recreation Funds
 - d. NAVMILPERSCOMINST 1710.3, Administration of Recreation Programs Afloat
 - e. NAVMILPERSCOM 7010.2, Navy Special Services Recreation Fund Financial Reporting Procedures.
 - f. NAVAUDSVC Audit Program No. 38 local Audits of Shipboard Recreation Fund Accounts
 - g. OPNAVINST 7010.2B, Administration of Nonappropriated Funds
 - h. BUPERSINST 7043.1, Procurement Handbook for Bureau of Naval Personnel Nonappropriated Fund Activities
 - i. SECNAVINST 5300.22A, Navy and Marine Corps Personnel Policy Manual for Nonappropriated Fund Instrumentalities (NAFI's)
 - j. NAVMILPERSCOMINST 5300.1, Commander, Naval Military Personnel Command Supplement to the Department of the Navy (DON) Navy and Marine Corps
2. Has the IUC Coordinator assured that appropriate action has been taken by the subordinate command to correct any deficiencies noted in the annual inspection?
 - a. Does the IUC Coordinator review Recreation Fund Financial Statements to insure compliance with NAVMILPERSCOMINST 7010.2?
 - b. Does the IUC Coordinator provide assistance to subordinate commands concerning Recreation Services Financial Statements?
 - c. Are appropriate and efficient files maintained by the NAF Staff Coordinator concerning the nonappropriated funds area?
 - d. Where local nonappropriated fund directives have been promulgated, are they compatible with guidance from higher authority?
 - e. Has the Staff Coordinator attended the NMPC training courses, workshops or area NAF seminars?